

DRAFT MINUTES
Board of Agriculture and Consumer Services
Oliver W. Hill Building, Richmond, Virginia
May 17, 2007

The meeting convened at 9:00 a.m. on Thursday, May 17, 2007, in Room 220 of the Oliver Hill Building, 102 Governor Street, Richmond, Virginia. President L. Bruce Holland requested a moment of silence and then called the meeting to order. The Board Secretary called the roll:

PRESENT

L. Bruce Holland
Paul W. Rogers, Jr.
T. M. Hardison
Andrea Lohr
Edward S. Fleming
Gregory J. Galligan
Charles C. Clark, Jr.
John D. Hardesty, Jr.
Melvin Murphy
Dr. Craig Nessler

DISTRICT

2nd
3rd
4th
6th
7th
8th
9th
10th
11th

Representing, President of Virginia Tech

ABSENT

Stephen Wolfe
Eddie N. Moore, Jr.

1st

President of Virginia State University

POSITION VACANT

5th

STAFF PRESENT

Donald G. Blankenship, Deputy Commissioner
Roy E. Seward, Board Secretary

APPROVAL OF MINUTES

The minutes of the March 22, 2007 meeting were approved as distributed.

Roy mentioned that the draft and final minutes and notices of meetings are posted on the VDACS website.

ELECTION OF PRESIDENT, VICE PRESIDENT and SECRETARY

President Holland turned the meeting over to Deputy Commissioner Blankenship who called for nominations for Board President.

Mr. Hardesty nominated Mr. Holland for president and Mr. Rogers seconded the nomination. Mr. Rogers then made the motion that nominations be closed and

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that Mr. Holland be elected by acclamation. Mr. Fleming seconded the motion and Mr. Holland was re-elected president by a unanimous vote.

President Holland called for nominations for Vice President. Mr. Fleming nominated Mr. Rogers for Vice President and Ms. Lohr seconded the motion. Mr. Clark moved that nominations be closed and Ms. Lohr seconded the motion. Mr. Rogers was elected Vice President by a unanimous vote.

President Holland then called for nominations for Secretary. Mr. Rogers nominated Mr. Seward and Ms. Lohr seconded the motion. Mr. Hardesty moved that the nominations be closed and that Mr. Seward be elected by acclamation. Mr. Rogers seconded the motion and the Board voted unanimously to elect Mr. Seward as Board Secretary.

REPORT FROM BOARD MEMBERS

Mr. Fleming reported that farmers in his district have complained about excessive rain and that hay cutting has not been good because of the rainy weather. He added that some farmers are chopping wheat and barley for silo and that there are reports of some barley fields yielding 5-6 tons per acre. He reported that early corn has been planted and that wheat and barley crops look very good. He shared concerns about the lack of honey bees for pollination this year.

Mr. Rogers reported that corn planting is on schedule and the crop looks excellent so far. Although acreage will likely be down, cotton has been planted and also looks good at this point. There has been an increase in small grain prices. Peanut planting is near completion and there is an increase in acres of peanuts being planted. However, there will likely be fewer producers planting this year. Wheat harvest is a month away and looks good at this point. There has been adequate moisture in some areas, while other areas have been drier-than-normal. Mr. Rogers reported that there had been a lot of activity in his area associated with the Jamestown Anniversary, and visits to Williamsburg from the Queen of England, President George Bush, and Vice President Dick Cheney.

Mr. Murphy reported that he is no longer on the Fairfax County Consumer Protection Commission because he is now attending graduate school. He reported that the Consumer Affairs Advisory Committee met and discussed Governor Kaine's Executive Directive #5 relating to do-not-sell registries, freeze of credit, and breach of notification. He indicated that he hopes that the Board will take a look at this directive because it affects all of Virginia.

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Ms. Lohr expressed her condolences to Virginia Tech on behalf her family. Farmers are planting more corn and corn acreage is up. About six weeks ago, an outbreak of Avian Influenza was discovered on a turkey farm in Pennington, West Virginia. The area is dry and needs rain. Farmers are starting to plant their tomatoes and other types of produce. Frost during the month of May has caused problems with crops.

Mr. Clark reported that he also sends his condolences. Corn planting is about 80 percent completed. The weather has gone through what's left of the double cropping and the staggering of the planting. They had a ground-breaking in Abingdon for a new farmers market. He reports that they have had some rain, but has been mostly dry. The frost is affecting everyone.

Mr. Galligan reported no new information. He is still concerned with animal welfare issues.

Mr. Hardesty also expressed his condolences to the families of Virginia Tech. His areas have been cool and dry and need some rain. Eighty percent of the corn has been planted, but is about ten days behind in planting. There was a ten to 15 percent increase in corn. Beans are about 5 percent planted. Peaches and apples have had a heavy bloom and good sap with good potential for apples and peaches. The honey bees are a big concern in our areas especially with the apples. Hay is about 10 percent less than projected this year because of the dryness. The small grain is a little behind and off, but not too much. Strawberries look good. Their farmers market opened last weekend. We had a major outbreak of alfalfa weevil and it is about 10 to 15 days later than usual. Some have already cut their alfalfa. Another major problem is the gas prices.

Mr. Hardison expressed serious concern regarding fertilizer prices and would like the Deputy Commissioner to give the Board some guidance. Corn fertilizer is up some 60 percent, \$325 a ton. Nitrogen, in the past few years, has gone up 400 percent. He wants guidance on the proper way to pursue the possibility of price gouging involving increases in the price of fertilizer—corn fertilizer. Mr. Blankenship agreed that prices have skyrocketed and cited some reasons for the increases. He further requested that VDACS investigate this issue as a potential price gouging situation. Mr. Blankenship agreed to do so and report to him on the results.

Dr. Craig Nessler, representative for Virginia Tech, conveyed appreciation for the kind words and prayers on behalf of the Virginia Tech students and faculty. The state passed the Commonwealth Staffing Initiative which will permit Virginia Tech to hire seven positions at a cost of \$461,000. These positions will

be directed toward Sustainable Forestry, the SHARP Logger Program, the College of Natural Resources, and the storm-water run-off issues, which is a major concern in the northern Virginia area as well as the area around Virginia Beach and Tidewater. There will be two specialists, one in parenting issues and one in viticulture, and three county agents. Regarding fuel prices and other issues, the college has made a major commitment to bio-energy. Several of our faculty have been successful in obtaining grants from the Tobacco Indemnification Committee which will begin looking at switchgrass and areas where switchgrass can be grown. The extension services are also looking at surveying for potential commitment to growing switchgrass on the part of the producers. If you are going to produce bio-ethanol from cellulose, you must have a commitment from growers before a processing plant can be established. Also, faculty in bio-systems engineering have patented several processes related to production of ethanol which reduces the cost of production to where it gets very competitive with petroleum products. They are looking forward to developing a pilot plant to test that on commercial scale.

Tech has announced a new distant learning program that has been approved in Agricultural Sciences that will be available in 2007. It is an online MS degree that will have areas of concentration in food safety, bio-security, and agriculture production, etc. This will be a very important education opportunity for our agents who don't have their MS degree as well as the general public. Before we established this degree, we did a need-assessment, particularly in federal agencies.

Mr. Holland reported that the Department of Agriculture donated \$500 to the Hokie's Memorial Fund of Virginia Tech. On the Shore, it has been very cool, dry and damp in his area. The corn in his area has been planted. They are having some problems with sludge, birds, cool weather, and they had to replant some of the corn. The wheat crop is good. The tomatoes have had some problems with the frost and some had to be replanted. The potatoes, overall, look almost as good as last year. There is a demand for processing vegetables on the Eastern Shore. We all are glad to be able to reap the increase in grain prices because of the demand for fuel.

VDACS OPERATIONAL REPORT

Deputy Commissioner Blankenship introduced Kendra Shifflet, Budget Analyst at the Department of Planning and Budget who works with VDACS-related budget and legislative issues. He then briefed the Board on agency operations. A copy of the report was included in the Board's meeting folders.

In response to Mr. Hardison's questions about the role of the Department in responding to natural disasters in the Commonwealth, Mr. Blankenship talked about the different roles and responsibilities of VDACS.

REPORT FROM SECRETARY OF AGRICULTURE AND FORESTRY

During his remarks Secretary Robert S. Bloxom noted how helpful it was to him to hear reports from the Board members on issues of concern to them and to farmers and consumers in their districts.

VIRGINIA AGRICULTURAL STATISTICS REPORT

Herman Ellison, Director, Virginia Field Office, National Agricultural Statistics Service of USDA, presented the Board a report on planting intentions for Virginia.

ADOPTION OF REGULATIONS GOVERNING GRADE "A" MILK (2 VAC 5-490)

Dr. Richard Wilkes, Director, Division of Animal and Food Industry Services, introduced John Beers, Program Supervisor, Office of Dairy and Foods, who briefed the Board on public comments received on the proposed regulations 2 VAC 5-490 that were published in The Virginia Register of Regulations at the Board's direction. Mr. Beers noted that staff recommends that the proposed regulations, as presented, be adopted by the Board as final regulations with an effective date of May 23, 2007.

Mr. Seward reported that Mr. Hardesty had submitted to him a disclosure statement of financial impact regarding 2 VAC 5-490. He noted that the statement reads as follows:

"I, John D. Hardesty, Jr., acknowledge that I may possibly be financially impacted as a result of votes by the Board concerning 2 VAC 5-490, Regulations Governing Grade "A" Milk. The nature of my personal interest is as follows: I am a dairy farmer. I am a member of a business, profession, occupation, or group affected by actions relating to 2 VAC 5-490. I am nevertheless able to vote fairly, objectively and in the public interest."

Mr. Seward told the Board that the statement, which was signed by Mr. Hardesty and dated May 17, 2007, will be kept as a part of the record of this meeting.

Following the discussion of the staff recommendations, Mr. Clark moved that the Board of Agriculture and Consumer Services adopt as final regulations the draft Regulations Governing Grade "A" Milk, 2 VAC 5-490, presented by

staff and authorize staff to take any and all actions necessary to make these regulations final regulations with an effective date of May 23, 2007. Ms. Lohr seconded the motion and the motion was passed by a unanimous vote.

UPDATE OF FARMLAND PRESERVATION ACTIVITIES

Kevin Schmidt, Coordinator of the Office of Farmland Preservation, presented an update on farmland preservation activities and the matching fund program.

GYPSY MOTH QUARANTINE UPDATE

Andy Alvarez, Director, Division of Consumer Protection, introduced Frank Fulgham, Program Manager, Plant Pest Services, who briefed the Board on recent actions by Deputy Commissioner Blankenship to expand the Virginia gypsy moth quarantine area to include Montgomery County. He explained that state law requires that the Board be advised of such changes in the state gypsy moth quarantine within 90 days of the action taken.

NEW BUSINESS

Mr. Hardison restated his earlier request for a staff report on complaints that the recent increases in the price of fertilizer products constitute price gouging under state law. In response to Mr. Hardison's question of when he could have a report on this issue, Mr. Blankenship told him that staff will research and develop a report as soon as possible. He also noted that it did not appear that this situation would fall under the Virginia Price Gouging Law passed by the General Assembly in response to price escalation following a natural disaster.

PLANS FOR FUTURE BOARD MEETINGS

Mr. Seward reported on staff work with Mr. Clark in planning the Board's next meeting scheduled for August in Southwest Virginia. He noted that August 16th is the date currently being considered. He added that a tour would be held for Board members, their spouses and VDACS staff on August 17th. Mr. Seward reported that the Board's last meeting of the year will be on December 6 in Richmond.

PUBLIC COMMENT PERIOD

President Holland called for public comment. No one came forward with comments or questions for the Board.

ADJOURNMENT

The Board adjourned at 11:20 a.m.

Respectfully submitted,

Roy Seward, Board Secretary
L. Bruce Holland, Board President